

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF ELZIE)	CASE NO. 10246-D
NEELEY GAS COMPANY, INC.)	

O R D E R

On September 6, 1988, the Commission issued its Order in Case No. 10246 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On August 7, 1989, Elzie Neeley Gas Company, Inc. ("Elzie Neeley") notified the Commission that its wholesale cost of gas will be increased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective September 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission is of the opinion and finds that:

(1) Elzie Neeley's notice of August 7, 1989 set out certain revisions in rates which Elzie Neeley proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier. The adjustment in rates proposed by Elzie Neeley was calculated using an IUS rate proposed

by Columbia in Case No. 10201-B, The Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., filed August 1, 1989. Columbia has advised the Commission that rates ordered into effect by the Commission's Order of August 23, 1989 in Case No. 89-228 were placed into effect on August 25, 1989. The rates contained in the Appendix to this Order are based on Columbia's IUS rate effective August 25, 1989. The change in the wholesale price will be an increase of \$2,024 or 19.07 cents per Mcf.

(2) In Case No. 10201-B, Columbia filed for an increase in its IUS rate effective September 1, 1989. Elzie Neeley requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Elzie Neeley's showing of good cause, Elzie Neeley's effective date for the increase should be September 1, 1989.

(3) Elzie Neeley's adjustment in rates, as amended herein, under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10246 dated September 6, 1988 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1989.


IT IS THEREFORE ORDERED that:


(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after September 1, 1989.

(2) Within 30 days of the date of this Order, Elzie Neeley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of September, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10246-D DATED 9/1/89

The following rates and charges are prescribed for the customers served by Elzie Neeley Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$7.1707 Per Mcf
Over 1 Mcf	\$6.1507 Per Mcf

Minimum Bill

The minimum bill shall be \$7.1707

The base rate for the future application of the purchased gas adjustment clause of Elzie Neeley Gas Company, Inc. shall be:

Commodity

Columbia Gas of Kentucky, Inc.	\$3.7515 per Mcf
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